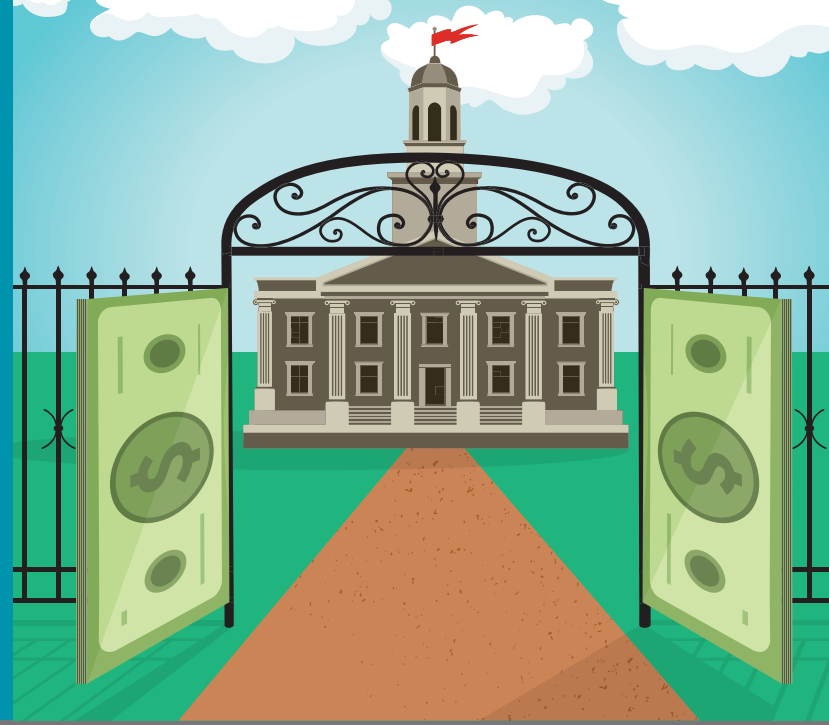


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EXECUTIVE SUMMARY MAKING COLLEGE AFFORDABLE

*Providing Low-Income Students with the
Knowledge and Resources Needed to Pay for College*

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Economic forecasts and politicians agree a college degree is an increasingly necessary condition of upward social mobility. Yet a young person's ability to obtain a bachelor's degree is squarely linked to his or her family's economic resources. Students from the bottom socioeconomic quartile are *eight times less likely* to obtain a bachelor's degree than those from the top socioeconomic quartile.¹ Even our nation's brightest low-income students, who have done very well in high school and score highly on standardized tests, are less likely to obtain a college degree than their higher-income peers, a discrepancy known as the "excellence gap."²

Spiraling costs and lack of understanding of how to manage those costs lead many students to never enroll, or drop out before completing their degrees. While state and federal funding can help to offset college costs, low-income students often are unaware that institutional aid can significantly lower costs and in some cases make college absolutely free.

Colleges and universities have a role to play in educating low-income students about how to pay for college.

The **11 strategies** outlined below should be implemented by all institutions to help low-income students finance their college education. By doing so, schools can provide students with better information to help them make more informed choices; make going to college more affordable; and help students maximize the aid they receive.

Colleges and universities have a role to play in educating low-income students about how to pay for college.

CLARIFYING FINANCIAL INFORMATION

Strategy 1: Clarify financial aid letters

Financial aid award letters can be confusing and misleading. Colleges should clarify their financial aid letters by distinguishing loans from grants and scholarships, noting that loans must be paid back, and clearly stating net costs.

Strategy 2: Provide students with a four-year estimate of expected costs

Offering students an estimate of what their degree will cost can help students budget and plan for the future.

Strategy 3: Establish clear policies regarding financial aid eligibility requirements

Too often students lose financial aid because of lack of knowledge. Institutions should clarify terms for renewal of aid and remind students (via text message, for example) of upcoming deadlines and renewal requirements.

Strategy 4: Establish more robust methods for estimating non-tuition costs

One-third of colleges underestimate living expenses, and off-campus living estimates vary widely between schools in the same city. Low-income students whose schools underestimate their living expenses may find themselves without sufficient funding. Schools should draw on reliable data sources to estimate costs.

Strategy 5: Educate students about financial aid

Students often have limited knowledge of financial aid. Schools should help students understand their aid before they sign off on their aid packages. Schools can do this by requiring students to meet with financial aid advisors, offering webinars, or providing videos.

EASING THE FINANCIAL BURDEN

Strategy 6: Prioritize need-based institutional grants

Merit aid benefits institutions by attracting students that can afford to pay for college. However, it takes away funds from students that cannot afford to pay for college. When schools prioritize need-based aid, low-income students are more likely to get the financial support that they need.

Strategy 7: Commit to maintaining grant levels for the duration of a student's academic program

Students may assume that institutional aid will be stable throughout their college years. Losses in grant funds, particularly when coupled with increases in tuition, can derail students' educational progress.

Strategy 8: Maintain levels of institutional aid when students receive private scholarships

Private scholarships can help students meet unmet need. When schools engage in displacement they undermine the benefits of these scholarships and unfairly penalize students for being successful.

Strategy 9: Utilize low-cost textbooks

The cost of academic materials, such as textbooks, can quickly add up. Low-income students may be forced to go without a textbook or make other sacrifices that threaten their academic success. Schools can help by supporting the use of open licensed materials.

FILLING THE GAP

Strategy 10: Set up emergency aid programs

Food insecurity is a growing problem among college students. Too many students are being forced to choose between buying food and paying for educational expenses. More and more schools are implementing food pantries and providing financial support such as emergency loans to help students stay on track educationally.

Strategy 11: Integrate financial and social services

Low-income students may not be aware that they qualify for public benefits (such as the Supplemental Nutrition Assistance Program). Schools should make sure students are aware of these benefits or partner with organizations that can link students with the benefits.

Supporting low-income students requires institutions to consider the myriad of barriers, large and small, that may impede student success and commit to removing those barriers. The 11 strategies outlined in this report help to ensure that students not only enroll in college, but that they persist and graduate without overwhelming debt.

¹ Keith Witham, Lindsey E. Malcom-Piqueux, Alicia C. Dowd, and Estela Mara Bensimon, *America's Unmet Promise: The Imperative for Equity in Higher Education* (Washington, DC: Association of American Colleges & Universities, 2015).

² Christina Theokas and Marni Bromberg, *Falling out of the Lead: Following High-Achievers through High School and Beyond* (Washington, DC: The Education Trust, 2014).

The Cooke Foundation is dedicated to advancing the education of exceptionally promising students who have financial need. Since 2000, the foundation has awarded \$175 million in scholarships to more than 2,300 students from 8th grade through graduate school, along with comprehensive counseling and other support services. The foundation has also provided over \$97 million in grants to organizations that serve such students.

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